

CITY OF ELGIN, OREGON

AUDIT REPORT

JUNE 30, 1988

EVESON, SNYDER, LINCOLN & Co.
CERTIFIED PUBLIC ACCOUNTANTS
SOMMER BUILDING
LA GRANDE, OREGON 97850

CITY OF ELGIN, OREGON

AUDIT REPORT

JUNE 30, 1988

CITY OF ELGIN, OREGON

CITY OFFICIALS

Mayor

Term Expires

Joe Garlitz

December 31, 1988

Elgin, Oregon

Council Members

Terms Expire

Galen Clark

December 31, 1988

Elgin, Oregon

Karen Nasura

December 31, 1990

Elgin, Oregon

Jenny Gifford

December 31, 1988

Elgin, Oregon

Juanita Clum

December 31, 1990

Elgin, Oregon

Clayton Brecken

December 31, 1988

Elgin, Oregon

Patrick McMullen

December 31, 1990

Elgin, Oregon

Recorder-Treasurer

Winona Bonney

Elgin, Oregon

City Attorney

Raymond Baum

1215 Washington

La Grande, Oregon

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EVESON, SNYDER, LINCOLN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1024
LA GRANDE, OREGON 97850

Independent Auditor's Report

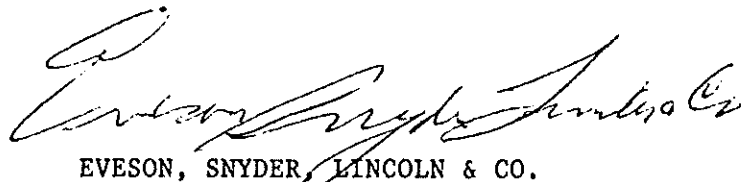
City of Elgin
P.O. Box 128
Elgin, OR 97827

We have audited the accompanying general purpose financial statements of the City of Elgin, Oregon, as of and for the year ended June 30, 1988, as listed in the index (pages 6 to 19). These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the minimum standards for audits of Oregon municipal corporations. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significantly made by management, as well as evaluating the overall financial presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Elgin, Oregon, as of June 30, 1988, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The "Totals" (Memorandum Only) column in the combined financial statements and the combining, individual fund, and account group financial statements and schedules listed in the index as "supplementary information" (pages 20 - 44) are presented for purposes of additional analysis and are not a required part of the general purpose financial statements and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



EVESON, SNYDER, LINCOLN & CO.

La Grande, Oregon
July 26, 1988

GENERAL PURPOSE FINANCIAL STATEMENTS

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Account Groups		Totals (Memorandum Only)	
General Long- Term Debt	General Fixed Assets	June 30, 1988	June 30, 1987
\$ _____	\$ _____	\$ 173,477	\$ 91,646
\$ _____	\$ _____	\$ 29,565	\$ 23,485
		2,232	1,712
			134
		31,480	27,392
		4,718	968
\$ _____	\$ _____	\$ 67,995	\$ 53,691
\$ 218,572	\$ _____	\$ 18,572	\$ 20,181
\$ 509,380	\$ _____	\$ 509,380	\$ 552,516
\$ _____	\$ 22,631	\$ 22,631	\$ 22,631
	261,455	261,455	261,455
	1,000	1,000	1,000
	136,475	136,475	126,475
	932,347	932,347	932,347
	22,428	22,428	22,428
	452,209	452,209	452,209
\$ _____	\$ 1,828,545	\$ 1,828,545	\$ 1,828,545
\$ 527,952	\$ 1,828,545	\$ 2,597,969	\$ 2,546,579
=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Account Groups		Totals (Memorandum Only)	
<u>General Long-</u> <u>Term Debt</u>	<u>General</u> <u>Fixed Assets</u>	<u>June 30, 1988</u>	<u>June 30, 1987</u>
\$	\$	\$ 11,638	\$ 12,009
		791	14,594
		2,992	1,733
527,952		527,952	572,697
		4,720	968
		31,480	27,392
<u>\$ 527,952</u>	<u>\$</u>	<u>\$ 579,573</u>	<u>\$ 629,393</u>
\$	\$ 1,828,545	\$ 1,828,545	\$ 1,828,545
		18,572	20,181
		171,279	68,460
<u>\$</u>	<u>\$ 1,828,545</u>	<u>\$ 2,018,396</u>	<u>\$ 1,917,186</u>
<u>\$ 527,952</u>	<u>\$ 1,828,545</u>	<u>\$ 2,597,969</u>	<u>\$ 2,546,579</u>
=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Totals
(Memorandum Only)

<u>June 30, 1988</u>	<u>June 30, 1987</u>
\$ 211,766	\$ 206,726
27,962	25,066
120	330
169,523	124,621
62,355	61,251
50	28,921
22,906	7,742
24,697	27,805
9,976	11,096
17,933	14,574
8,428	4,357
	100
<u>\$ 555,716</u>	<u>\$ 512,589</u>
\$ 209,923	\$ 207,516
166,435	192,323
	12,028
44,745	42,948
<u>33,403</u>	<u>30,622</u>
<u>\$ 454,506</u>	<u>\$ 485,437</u>
<u>\$ 101,210</u>	<u>\$ 27,152</u>
\$	\$ 19,862
<u> </u>	(<u>19,862</u>)
\$ <u> </u>	\$ <u> </u>
\$ 101,210	\$ 27,152
<u>88,641</u>	<u>61,489</u>
\$ 189,851	\$ 88,641
=====	=====

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$	\$ 199	\$ 199	\$ 59,242	\$ 59,651	\$ 409
40,000	41,816	1,816	13,000	16,250	3,250
25,000	18,964	(6,036)			
12,700	15,134	2,434			
1,500	2,540	1,040	500	638	138
<u>\$ 79,200</u>	<u>\$ 78,653</u>	<u>(\$ 547)</u>	<u>\$ 72,742</u>	<u>\$ 76,539</u>	<u>\$ 3,797</u>
\$ 38,908	\$ 31,914	\$ 6,994	\$	\$	\$
94,042	11,914	82,128			
			44,745	44,745	
			28,645	33,403	(4,758)
<u>\$ 132,950</u>	<u>\$ 43,828</u>	<u>\$ 89,122</u>	<u>\$ 73,390</u>	<u>\$ 78,148</u>	<u>(\$ 4,758)</u>
(\$ 53,750)	\$ 34,825	\$ 88,575	(\$ 648)	(\$ 1,609)	(\$ 961)
\$	\$	\$	\$	\$	\$
843		(843)			
(\$ 843)	\$	\$ 843	\$	\$	\$
(\$ 54,593)	\$ 34,825	\$ 89,418	(\$ 648)	(\$ 1,609)	(\$ 961)
<u>54,593</u>	<u>58,564</u>	<u>3,971</u>	<u>19,440</u>	<u>20,181</u>	<u>741</u>
\$	\$ 93,389	\$ 93,389	\$ 18,792	\$ 18,572	(\$ 220)
=====	=====	=====	=====	=====	=====

Totals (Memorandum Only)		
<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
\$ 214,971	\$ 211,766	(\$ 3,205)
26,450	27,962	1,512
750	120	(630)
162,987	169,523	6,536
57,920	62,355	4,435
5,000	50	(4,950)
27,750	22,906	(4,844)
25,500	24,697	(803)
16,000	9,976	(6,024)
13,700	17,933	4,233
5,000	8,428	3,428
<u>1,000</u>		(<u>1,000</u>)
<u>\$ 557,028</u>	<u>\$ 555,716</u>	(<u>\$ 1,312</u>)
\$ 244,763	\$ 209,923	\$ 34,840
319,770	166,435	153,335
44,745	44,745	
28,645	33,403	(4,758)
<u>10,000</u>		<u>10,000</u>
<u>\$ 647,923</u>	<u>\$ 454,506</u>	<u>\$ 193,417</u>
(<u>\$ 90,895</u>)	<u>\$ 101,210</u>	<u>\$ 192,105</u>
\$ 893	\$	(\$ 893)
<u>843</u>		(<u>843</u>)
<u>\$ 50</u>	<u>\$</u>	(<u>\$ 50</u>)
(\$ 90,845)	\$ 101,210	\$ 192,055
<u>109,637</u>	<u>88,641</u>	(<u>20,996</u>)
<u>\$ 18,792</u>	<u>\$ 189,851</u>	<u>\$ 171,059</u>
=====	=====	=====

The accompanying notes are an integral part of these financial statements.

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Elgin, Oregon, operates under a charter. The City operates under a council-mayor form of government and provides the following services as authorized by its charter: Public Safety (Police and Fire), Highway and Streets, Sanitation, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The accounting policies of the City of Elgin, Oregon, conform to generally accepted accounting principles (GAAP). The following is a summary of significant policies:

Principles Determining Scope of Reporting Entity

The financial statements of the City consist only of the funds and account groups of the City. The City has no oversight responsibility for any other governmental entity, since no other entities are considered to be controlled or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources. The revenue sharing fund is a special revenue fund used to account for revenue from federal revenue sharing.

Debt Service Fund - The general debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets and Long-Term Liabilities (Continued)

that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructures") general fixed assets, consisting of certain curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are normally immovable and of value only to the City; therefore, the purpose of stewardship for these items is satisfied without recording of these assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when received. Penalties and interest, municipal court and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

(1) In accordance with the budget laws of the State of Oregon, the budget officer submits to the City Budget Committee a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

(2) The budget is submitted to the budget committee for approval.

(3) Public hearings are conducted to obtain taxpayer comment.

(4) The City Council must prepare a resolution to formally adopt the budget no later than June 30. The next step in the budget cycle is to certify the tax levy to the County Assessor.

(5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

(6) Budgets for the General, Debt Service, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied November 15 and are due and payable at that time. All unpaid taxes levied November 15 become delinquent after that date.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

Pension Plan

The City of Elgin participates in the State of Oregon Public Employees Retirement System (PERS). During the 1977-78 fiscal year, only the City policemen were covered by PERS; however, for fiscal year 1978-79 and future years, all employees of the City are covered by the Plan after six months of employment. The pension plan is funded by making monthly contributions to respective plans equal to the amount accrued for pension expense. (See Note E).

Compensated Absence

The City has no accrued compensated absence at June 30, 1988.

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments."

Deposits

At year end, the carrying amount of the City's deposits (checking account) was \$ 479,590 and the bank balance was \$ 1,418. The bank deposits of \$ 479,590 were covered by federal depository insurance.

Investments

Statutes authorize the City to invest in state government pool. The government pool is not represented by specific identifiable securities. Investments at June 30, 1988 of \$ 301,248 were all in state government pool.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance July 1, 1987	Additions	Deletions	Balance June 30, 1988
Land	\$ 22,631	\$	\$	\$ 22,631
Buildings	261,455			261,455
Museum Artifacts	1,000			1,000
Equipment	136,475			136,475
Water System	932,347			932,347
Office Equipment	22,428			22,428
Sewer System	452,209			452,209
	<u>\$ 1,828,545</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,828,545</u>
	=====	=====	=====	=====

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

NOTE C - BONDS PAYABLE (Continued)

	Payable at July 1, 1987	Additions	Deletions	Balance June 30, 1988
Sewer Bonds, 1965 Issue	\$ 70,000	\$	\$ 23,000	\$ 47,000
General Obligation Bonds, Series 1974	148,907		5,765	143,142
General Obligation Bonds, Series 1975	308,790		10,980	297,810
Water Bonds, 1975 Issue	45,000		5,000	40,000
	<u>\$ 572,697</u>	<u>\$</u>	<u>\$ 44,745</u>	<u>\$ 527,952</u>
	=====	=====	=====	=====

Principal payments are due annually for general obligation bonds on January 1 (Series 1974 and 1975), and interest payments are due semi-annually on January 1 and July 1 (Series 1974 and 1975).

Principal payments are due annually for sewer bonds on April 1 (Series 1965), and interest payments are due semi-annually on April 1 and October 1 (Series 1965).

Principal payments are due annually for water bonds on September 1 (Series 1975), and interest payments are due semi-annually on March 1 and September 1 (Series 1975).

The annual requirements to amortize all bonded debt outstanding as of June 30, 1988 follows:

Year Ending 6-30	General Obligation Bonds				Total	
	Series 1974 Principal	Series 1974 Interest	Series 1975 Principal	Series 1975 Interest	Principal	Interest
1989	\$ 6,053	\$ 7,157	\$ 11,529	\$ 14,891	\$ 17,582	\$ 22,048
1990	6,356	6,854	12,106	14,314	18,462	21,168
1991	6,673	6,537	12,711	13,709	19,384	20,246
1992	7,007	6,203	13,347	13,073	20,354	19,276
1993	7,357	5,853	14,014	12,406	21,371	18,259
1994	7,725	5,485	14,715	11,705	22,440	17,190
1995	8,112	5,098	15,450	10,970	23,562	16,068
1996	8,517	4,693	16,223	10,197	24,740	14,890
1997	8,943	4,267	17,034	9,386	25,977	13,653
1998	9,390	3,820	17,886	8,534	27,276	12,354
1999	9,860	3,350	18,780	7,640	28,640	10,990
2000	10,353	2,857	19,719	6,701	30,072	9,558
2001	10,870	2,340	20,705	5,715	31,575	8,055
2002	11,414	1,796	21,740	4,680	33,154	6,476
2003	11,984	1,226	22,827	3,593	34,811	4,819
2004	12,528	682	23,969	2,451	36,497	3,133
2005			25,055	1,365	25,055	1,365
	<u>\$ 143,142</u>	<u>\$ 68,218</u>	<u>\$ 297,810</u>	<u>\$ 151,330</u>	<u>\$ 440,952</u>	<u>\$ 219,548</u>
	=====	=====	=====	=====	=====	=====

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

NOTE C - BONDS PAYABLE (Continued)

Year Ending 6-30	<u>Sewer Bond</u> <u>Series 1965</u>		<u>Water Bond</u> <u>Series 1975</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1989	\$ 23,000	\$ 1,786	\$ 5,000	\$ 2,750	\$ 28,000	\$ 4,536
1990	24,000	915	5,000	2,398	29,000	3,313
1991			5,000	2,040	5,000	2,040
1992			5,000	1,677	5,000	1,677
1993			5,000	1,310	5,000	1,310
1994			5,000	938	5,000	938
1995			5,000	562	5,000	562
1996			5,000	187	5,000	187
	<u>\$ 47,000</u>	<u>\$ 2,701</u>	<u>\$ 40,000</u>	<u>\$ 11,862</u>	<u>\$ 87,000</u>	<u>\$ 14,563</u>

The ordinances authorizing the issuance of general obligation bonds created an interest and sinking fund (General Debt Service Fund). The ordinances require the City to ascertain a rate and amount of ad valorem tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures.

The ordinances authorizing the issuance of Water Works and Sewer System Revenue Bonds created the Interest and Sinking Fund and the Reserve Fund. The gross revenues of the Water Works and Sewer System, after deduction of reasonable expenses of operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Fund.

NOTE D - LITIGATION

The City has no claims or lawsuits pending at June 30, 1988.

NOTE E - DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City contributes to the Oregon Public Employees Retirement System ("System"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative unit for governmental units within the State of Oregon. The City's payroll for employees covered by the System for the year ended June 30, 1988 was \$ 158,032, which was also the total payroll.

All full time City employees are eligible to participate in the System after an initial period of six months of completed service. Benefits vest after 5 years of service. City Policemen who retire at or after age 55 are entitled to receive a service retirement allowance which shall consist of annuity and pension benefits in an annual amount equal to two percent of the final average salary multiplied by the number of years of membership in the system before the date of retirement. Other

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)

City employees who retire at or after age 55 are entitled to receive a service retirement allowance, which shall consist of annuity and pension benefits in an annual amount equal to 1.67 percent of the final average salary multiplied by the number of years of membership in the System before the date of retirement. The System also provides death and disability benefits. Provisions are made for early retirement, lump sum withdrawal of benefits at retirement, limited cost of living adjustments, and a number of other options in the statutes. Eligibility requirements and benefit provisions of the plan for the various employee groups covered are governed by provisions of the Oregon Revised Statutes.

The City is required to contribute the total amount necessary to fund the System, using the actuarial basis specified by statute. The City has agreed to "pick-up" the full amount of contributions to the fund required of all employee members of the System.

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1985 (the latest valuation available). Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 6 percent a year compounded annually, attributable to inflation, (c) additional projected salary increases attributable to seniority/merit varying with the type of employment, age at employment and attained age at the date of valuation, and (d) postretirement benefit increases limited to the present maximum of 2 percent a year.

There was no unfunded pension benefit obligation applicable to the City's employees at December 31, 1985 as indicated by the summary below:

Pension benefit obligation:	
Member account balances	\$ 70,863
Vested accrued benefits	85,513
Non-vested accrued benefits	<u>8,067</u>
Total Pension Benefit Obligation	\$ 164,443
Net assets available for benefits, actuarial value (cost and market value data is not available)	<u>296,828</u>
Assets in Excess of Pension Benefit Obligation	\$ 132,385
	=====

CITY OF ELGIN, OREGON

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

=====

NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)

B. Funding Status and Progress (Continued)

The effects on the pension benefit obligation of any current-year changes in actuarial assumptions or benefit provisions are not currently available to the City.

C. Actuarial Determined Contribution Requirements and Contributions Made

The System's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the credited projected benefits actuarial funding method with proration based on service. The System uses the level percentage of payroll method to amortize the unfunded liability over a closed 30-year period.

The significant actuarial assumptions used to compute the actuarially determined requirement are the same as used to compute the pension benefit obligation described in B above.

The contribution to the System for the year ended June 30, 1988 of \$ 14,811 was made in accordance with actuarially determined requirements computed through actuarial valuations as of December 31, 1982 and December 31, 1985. A rate change due to the later valuation became effective on January 1, 1988. The allocation of the contribution between normal cost and amortization of unfunded actuarial accrued liability was not available to the City. The City contributed \$ 11,442 as employer share, (8.31 percent of covered payroll through December 31, 1987 and 6 percent of covered payroll from January 1, 1988 forward), \$ 3,369 assumed by the City as noted in A above.

D. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information and three-year trend information related to the City's plan is not currently available. The current data presented below presents the trend information currently available.

Fiscal Year Ending June 30	Net Assets Available for Benefits	Pension Benefit Obligation (PBO)	Percent Funded (1)/(2)	Unfunded PBO (2)-(1)	Annual Covered Payroll	Unfunded PBO as a Percentage of Payroll (4)/(5)
1988	\$ 3,163,187	\$ 2,246,931	140.8 %	None	\$ 1,595,405	00.0 %

Source: 1985 Actuary Reports

SUPPLEMENTARY INFORMATION

CITY OF ELGIN, OREGON

GENERAL FUND

=====

The General Fund of the City is the entity which accounts for all assets and resources used for financing the general administration of the City and the traditional services provided to the citizens of Police, Fire, Water, Sewer, Library, Park, and Municipal Court. The principal revenue sources are property taxes, utility-user fees, state apportionments and CETA.

Expenditures are controlled by appropriations adopted by resolutions of the City Council in the categories required by Oregon Local Budget Law. Additional classifications of appropriations are adopted for administrative control purposes.

CITY OF ELGIN, OREGON

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 1988

=====

	<u>June 30,</u> <u>1988</u>	<u>June 30,</u> <u>1987</u>
<u>ASSETS</u>		
Cash	<u>\$ 61,137</u>	<u>\$ 7,701</u>
<u>Accounts Receivable:</u>		
Water and Sewer Service	\$ 29,565	\$ 23,485
Water and Sewer Connection	2,232	1,712
Miscellaneous		134
Uncollected Taxes	<u>22,707</u>	<u>23,056</u>
Total Receivables	<u>\$ 54,504</u>	<u>\$ 48,387</u>
<u>TOTAL ASSETS</u>	<u>\$ 115,641</u> =====	<u>\$ 56,088</u> =====

LIABILITIES AND FUND EQUITY

<u>Liabilities:</u>		
Accounts Payable	\$ 9,719	\$ 10,176
Accrued Payroll and Payroll Taxes	605	11,992
Due Bond Fund	4,720	968
Deferred Revenue	<u>22,707</u>	<u>23,056</u>
Total Liabilities	<u>\$ 37,751</u>	<u>\$ 46,192</u>
<u>Fund Equity:</u>		
<u>Unreserved:</u>		
Undesignated	<u>\$ 77,890</u>	<u>\$ 9,896</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 115,641</u> =====	<u>\$ 56,088</u> =====

CITY OF ELGIN, OREGON

GENERAL FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	<u>June 30, 1988</u>	<u>June 30, 1987</u>
<u>REVENUES:</u>		
Property Tax Collections	\$ 151,916	\$ 145,500
Franchise Fees	27,962	25,066
Licenses and Permits	120	330
Sewer and Water Revenues	153,273	101,581
State Apportionments	20,539	22,965
Federal Grants	50	7,747
State Grants	3,942	7,742
City Services	24,697	27,805
Fines and Forfeits	9,976	11,096
Rentals, Swimming Fees & Miscellaneous	2,799	1,788
Interest on Investments	5,250	2,115
Sale of Equipment		100
Total Revenues	<u>\$ 400,524</u>	<u>\$ 353,835</u>
<u>EXPENDITURES:</u>		
Personal Services	\$ 178,009	\$ 176,283
Materials and Services	154,521	173,825
Capital Outlay		12,028
Total Expenditures	<u>\$ 332,530</u>	<u>\$ 362,136</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 67,994</u>	<u>(\$ 8,301)</u>
<u>OTHER FINANCING SOURCES (USES):</u>		
Operating Transfers In	<u>\$</u>	<u>\$ 15,597</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 67,994</u>	<u>\$ 7,296</u>
<u>UNRESERVED FUND BALANCE, JULY 1</u>	<u>9,896</u>	<u>2,600</u>
<u>UNRESERVED FUND BALANCE, JUNE 30</u>	<u>\$ 77,890</u> =====	<u>\$ 9,896</u> =====

CITY OF ELGIN, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Tax Collections:			
Current Tax Levy	\$ 155,729	\$ 143,195	(\$ 12,534)
Less: Uncollected Taxes & Discounts	10,000	3,060	(6,940)
Net Current Tax Collections	\$ 145,729	\$ 140,135	(\$ 5,594)
Delinquent Tax Collections	10,000	9,565	(435)
Interest on Delinquent Taxes		1,967	1,967
Interest on Undistributed Taxes		249	249
Total Tax Revenues	\$ 155,729	\$ 151,916	(\$ 3,813)
Other Revenues:			
Interest Earned	\$ 3,000	\$ 5,250	\$ 2,250
Water Service	80,993	153,273	72,280
Sewer Charges	68,994		(68,994)
Licenses	750	120	(630)
State of Oregon Liquor Apportionment	12,000	9,067	(2,933)
Ambulance	13,000	9,789	(3,211)
Fines and Forfeits	16,000	9,976	(6,024)
Utilities and Telephone Franchises	25,500	27,136	1,636
Dog Tags	500	209	(291)
State of Oregon Cigarette Apportionment	5,920	7,050	1,130
Garbage Franchise	700	586	(114)
Fire Protection	1,000	190	(810)
Sewer Connections		1,125	1,125
Water Meter Installations		1,350	1,350
Miscellaneous	1,000	2,799	1,799
State Library Grant	250		(250)
Library Fees		323	323
Solid Waste Fees	10,000	10,728	728
911 Tax		4,422	4,422
Sale of Equipment	1,000		(1,000)
ECD Grant	2,500	3,942	1,442
T.V. Franchise	250	240	(10)
Waters Off/On	1,000	983	(17)
Police Dog	5,000	50	(4,950)
Total Other Revenues	\$ 249,357	\$ 248,608	(\$ 749)
TOTAL REVENUES	\$ 405,086	\$ 400,524	(\$ 4,562)

CITY OF ELGIN, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
EXPENDITURES:			
Administration:			
Salary - Recorder	\$ 20,340	\$ 21,981	(\$ 1,641)
Office Assistant	12,360	11,440	920
Payroll Taxes and Insurance	14,927	12,379	2,548
Extra Labor	4,500	2,470	2,030
Dog Tags	75		75
Surety Bond	190	210	(20)
Office Supplies and Expense	3,500	4,569	(1,069)
Dues and Subscriptions	1,220	2,183	(963)
Telephone and Postage	2,500	4,431	(1,931)
Advertising and Printing	700		700
Audit	3,300	3,187	113
Legal	2,500	1,819	681
Travel and Training	2,500		2,500
Total Administration	\$ 68,612	\$ 64,669	\$ 3,943
Police Department:			
Chief	\$ 20,340	\$ 18,797	\$ 1,543
Sergeant	17,196	21,712	(4,516)
Patrolmen	31,560	30,075	1,485
Extra Police	3,500		3,500
Employee Benefits and Taxes	31,249	24,126	7,123
Gasoline, Oil and Grease	4,500	4,426	74
Supplies and Small Equipment	4,000	2,795	1,205
Maintenance and Repair	5,000	6,816	(1,816)
Officer Training	2,000	234	1,766
Radio Maintenance	1,500		1,500
Telephone and Teletype	3,000	2,352	648
Dog	1,500	909	591
Total Police Department	\$ 125,345	\$ 112,242	\$ 13,103
Ambulance:			
Gasoline, Oil and Grease	\$ 1,000	\$ 1,715	(\$ 715)
Supplies and Small Equipment	3,000	2,355	645
Repairs and Maintenance	2,000	941	1,059
Telephone	1,200	353	847
Training	4,000	589	3,411
Refunds		2,310	(2,310)
Total Ambulance	\$ 11,200	\$ 8,263	\$ 2,937

CITY OF ELGIN, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
EXPENDITURES: (Continued)			
<u>Fire Department:</u>			
Fire Chief	\$ 768	\$ 768	\$
Volunteer Firemen	700	951	(251)
Employee Benefits and Taxes	100	593	(493)
Gasoline, Oil and Grease	500	150	350
Supplies and Small Equipment	1,500	907	593
Equipment Repair	2,000	132	1,868
Telephone	1,200	482	718
Insurance	210	188	22
Training and Fire Agreement	1,000	360	640
Total Fire Department	\$ 7,978	\$ 4,531	\$ 3,447
<u>Water and Sewer Department:</u>			
Superintendent	\$ 18,480	\$ 5,999	\$ 12,481
Extra Labor	7,000	10,880	(3,880)
Taxes and Insurance	9,305	3,389	5,916
Gasoline, Oil and Grease	1,500	446	1,054
Supplies and Pipe	8,000	7,747	253
Repairs to Equipment	5,000	1,755	3,245
Engineering Fees & Legal	1,500	1,154	346
Electric Service	24,000	22,800	1,200
Equipment Rental	1,000		1,000
Travel and Training	500	510	(10)
Total Water and Sewer Department	\$ 76,285	\$ 54,680	\$ 21,605
<u>City Lights:</u>			
Electric Service	\$ 17,000	\$ 17,138	(\$ 138)
<u>Public Library:</u>			
Librarian Salary	\$ 4,560	\$ 4,645	(\$ 85)
Extra Labor	300		300
Payroll Taxes	1,100	913	187
Miscellaneous	150	119	31
Books and Supplies	3,000	2,978	22
Total Public Library	\$ 9,110	\$ 8,655	\$ 455
<u>Municipal Court:</u>			
Municipal Judge	\$ 3,720	\$ 3,708	\$ 12
Employee Benefits	500	225	275
Supplies and Postage	300	515	(215)
Police Training Assessment	1,500	1,205	295

CITY OF ELGIN, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
=====			
EXPENDITURES: (Continued)			
Municipal Court: (Continued)			
Travel and Training	\$ 200	\$ 10	\$ 190
Extradition and License Suspension	150	210	(60)
Dog Disposal	250	84	166
Total Municipal Court	<u>\$ 6,620</u>	<u>\$ 5,957</u>	<u>\$ 663</u>
Solid Waste:			
Salaries	\$ 3,050	\$ 2,789	\$ 261
Employee Benefits	300	169	131
Transfer Services	6,500	6,431	69
Supplies	100	208	(108)
Travel	25		25
Total Solid Waste	<u>\$ 9,975</u>	<u>\$ 9,597</u>	<u>\$ 378</u>
City Buildings:			
Repairs to Buildings	\$ 7,500	\$ 1,052	\$ 6,448
Fuel	7,500	6,307	1,193
Lights	6,000	5,935	65
Property Taxes	1,500	1,470	30
Total City Buildings	<u>\$ 22,500</u>	<u>\$ 14,764</u>	<u>\$ 7,736</u>
Miscellaneous:			
Insurance	\$ 25,500	\$ 17,853	\$ 7,647
Unemployment	6,000	411	5,589
Workers' Compensation	14,500	12,253	2,247
Miscellaneous		26	(26)
Total Miscellaneous	<u>\$ 46,000</u>	<u>\$ 30,543</u>	<u>\$ 15,457</u>
Planning Commission:			
Contracted Services	<u>\$ 1,200</u>	<u>\$</u>	<u>\$ 1,200</u>
Community Development Grant:			
Contracted Services	\$ 1,258	\$	\$ 1,258
Administration	1,000	1,491	(491)
Total Community Development Grant	<u>\$ 2,258</u>	<u>\$ 1,491</u>	<u>\$ 767</u>
911 Expenses:			
Contracted Services	<u>\$ 27,500</u>	<u>\$</u>	<u>\$ 27,500</u>
Contingency	<u>\$ 10,000</u>	<u>\$</u>	<u>\$ 10,000</u>
TOTAL EXPENDITURES	<u>\$ 441,583</u>	<u>\$ 332,530</u>	<u>\$ 109,053</u>
Excess of Revenues Over (Under) Expenditures	(<u>\$ 36,497</u>)	<u>\$ 67,994</u>	<u>\$ 104,491</u>

CITY OF ELGIN, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	<u>Budget Estimate</u>	<u>Actual</u>	Variance - Favorable (<u>Unfavorable</u>)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfer In	<u>\$ 893</u>	<u>\$ </u>	<u>\$ 893</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	(\$ 35,604)	\$ 67,994	\$ 103,598
<u>UNRESERVED FUND BALANCE, JULY 1</u>	<u> 35,604</u>	<u> 9,896</u>	(<u> 25,708</u>)
<u>UNRESERVED FUND BALANCE, JUNE 30</u>	<u>\$ </u> =====	<u>\$ 77,890</u> =====	<u>\$ 77,890</u> =====

CITY OF ELGIN, OREGON

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from particular sources which are designated by law or action of the City Council to finance particular activities of the City. Following is a brief description of each of the City's special revenue funds:

State Tax Street Fund: Accounts for apportionment of motor vehicle revenues from State of Oregon Highway Division. The funds are used for City street repair and maintenance.

Parks and Leisure Fund: Accounts for revenues from users of Community Center. Expenditures are to be used for the maintenance and operation of Community Center building.

Federal Revenue Sharing Fund: Accounts for revenue sharing entitlements received quarterly from federal government. Expenditures are restricted by guidelines of the Office of Revenue Sharing.

State Revenue Sharing Fund: Accounts for apportionment of certain liquor revenues received by State of Oregon, Department of Revenue and distributed to the City quarterly. The apportionment may be used by the City for general purposes.

Water System Reserve Fund: Accounts for revenues from water service. Expenditures are restricted by guidelines of the Farmers Home Administration.

		Totals (Memorandum Only)	
State Revenue Sharing Fund	Water System Reserve Fund	June 30, 1988	June 30, 1987
\$ 9,250	\$ 42,186	\$ 95,101	\$ 62,796
		97	241
		393	203
\$ 9,250	\$ 42,186	\$ 95,591	\$ 63,240
\$	\$	\$ 1,919	\$ 1,833
		186	2,602
		97	241
\$	\$	\$ 2,202	\$ 4,676
\$ 9,250	\$ 42,186	\$ 93,389	\$ 58,564
\$ 9,250	\$ 42,186	\$ 95,591	\$ 63,240

State Revenue Sharing Fund	Water System Reserve Fund	Totals (Memorandum Only)	
		June 30, 1988	June 30, 1987
\$	\$	\$ 199	\$ 203
		41,816	38,286
			12,362
6,464		18,964	8,812
	1,693	2,540	1,732
		7,402	7,412
		1,775	3,124
		5,957	2,250
<u>\$ 6,464</u>	<u>\$ 1,693</u>	<u>\$ 78,653</u>	<u>\$ 74,181</u>
\$	\$	\$ 31,914	\$ 31,233
		11,914	18,498
<u>\$</u>	<u>\$</u>	<u>\$ 43,828</u>	<u>\$ 49,731</u>
<u>\$ 6,464</u>	<u>\$ 1,693</u>	<u>\$ 34,825</u>	<u>\$ 24,450</u>
\$	\$	\$	\$ 4,265
			(19,862)
<u>\$</u>	<u>\$</u>	<u>\$</u>	(\$ 15,597)
\$ 6,464	\$ 1,693	\$ 34,825	\$ 8,853
<u>2,786</u>	<u>40,493</u>	<u>58,564</u>	<u>49,711</u>
<u>\$ 9,250</u>	<u>\$ 42,186</u>	<u>\$ 93,389</u>	<u>\$ 58,564</u>
=====	=====	=====	=====

CITY OF ELGIN, OREGON

STATE TAX STREET FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Delinquent Tax Collections	\$	\$ 143	\$ 143
Interest on Delinquent Taxes		56	56
Total Tax Revenues	\$	\$ 199	\$ 199
OTHER REVENUES:			
Interest Earned	\$ 500	\$ 847	\$ 347
State Highway Apportionment	40,000	41,816	1,816
State Grant	25,000	12,500	(12,500)
Total Other Revenues	\$ 65,500	\$ 55,163	(\$ 10,337)
Total Revenues	\$ 65,500	\$ 55,362	(\$ 10,138)
EXPENDITURES:			
Labor	\$ 16,308	\$ 17,643	(\$ 1,335)
Extra Labor	6,000		6,000
Payroll Taxes and Insurance	8,600	7,150	1,450
Gasoline, Oil and Grease	2,592	1,651	941
Supplies and Small Tools	2,500	767	1,733
Equipment Repairs	5,000	3,024	1,976
Paving and Graveling	35,000	2,680	32,320
Snow Removal	500		500
Street Signs	500	14	486
Storm Sewers		146	(146)
Engineering	1,000	17	983
Total Expenditures	\$ 78,000	\$ 33,092	\$ 44,908
Excess of Revenues Over (Under) Expenditures	(\$ 12,500)	\$ 22,270	\$ 34,770
FUND BALANCE, JULY 1	12,500	12,656	156
FUND BALANCE, JUNE 30	\$	\$ 34,926	\$ 34,926
	=====	=====	=====

CITY OF ELGIN, OREGON

PARKS AND LEISURE FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Auction and Special Events	\$	\$ 4,997	\$ 4,997
Swim Fees	6,000	6,899	899
Swim Lessons	900	503	(397)
Rental	2,500	1,775	(725)
Donations & Foundation	3,300	960	(2,340)
Total Revenues	\$ 12,700	\$ 15,134	\$ 2,434
EXPENDITURES:			
Building:			
Pool Manager and Life Guards	\$ 7,500	\$ 6,665	\$ 835
Payroll Taxes and Insurance	500	456	44
Supplies and Maintenance	3,000	1,598	1,402
Telephone and Advertising	500	788	(288)
Pool Supplies and Maintenance	900	938	(38)
Park Supplies and Maintenance	300	291	9
Total Expenditures	\$ 12,700	\$ 10,736	\$ 1,964
Excess of Revenues Over (Under) Expenditures	\$	\$ 4,398	\$ 4,398
FUND BALANCE, JULY 1		2,629	2,629
FUND BALANCE, JUNE 30	\$	\$ 7,027	\$ 7,027

CITY OF ELGIN, OREGON

STATE REVENUE SHARING FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
State of Oregon Revenue Sharing	\$ _____	\$ 6,464	\$ 6,464
<u>EXPENDITURES</u>	\$ _____	\$ _____	\$ _____
Excess of Revenues Over (Under) Expenditures	\$ _____	\$ 6,464	\$ 6,464
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers Out	\$ 843	\$ _____	\$ 843
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(\$ 843)	\$ 6,464	\$ 7,307
<u>FUND BALANCE, JULY 1</u>	<u>843</u>	<u>2,786</u>	<u>1,943</u>
<u>FUND BALANCE, JUNE 30</u>	\$ _____ =====	\$ 9,250 =====	\$ 9,250 =====

CITY OF ELGIN, OREGON

WATER SYSTEM RESERVE FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
=====			
<u>REVENUE:</u>			
Interest Earned	\$ 1,000	\$ 1,693	\$ 693
<u>EXPENDITURES:</u>			
Pipes, Hydrants, etc.	\$ 42,250	\$	\$ 42,250
Excess of Revenues Over (Under) Expenditures	(\$ 41,250)	\$ 1,693	\$ 42,943
<u>FUND BALANCE, JULY 1</u>	<u>41,250</u>	<u>40,493</u>	(<u>757</u>)
<u>FUND BALANCE, JUNE 30</u>	\$ =====	\$ 42,186 =====	\$ 42,186 =====

CITY OF ELGIN, OREGON

DEBT SERVICE FUNDS

=====

These funds account for revenues which are raised to service general obligation long-term debt incurred to provide money for the construction of capital facilities.

Sewer System Debt Service Fund: This fund accounts for interest and principal payments made for retirement of the 1965 Sewer Bond Issue.

Water System Debt Service Fund: This fund accounts for interest and principal payments made for retirement of the 1975 General Obligation Bonds held by Farmers Home Administration and 1975 Bond Issue held by First Interstate Bank.

CITY OF ELGIN, OREGON

COMBINING BALANCE SHEET - DEBT SERVICE FUND

JUNE 30, 1988

	<u>June 30, 1988</u>	<u>June 30, 1987</u>
<u>ASSETS</u>		
Cash	\$ 17,239	\$ 21,149
<u>Receivables:</u>		
Uncollected Taxes	\$ 8,676	\$ 7,509
Due from General Fund	4,325	765
Total Receivables	\$ 13,001	\$ 8,274
<u>TOTAL ASSETS</u>	\$ 30,240	\$ 29,423
	=====	=====
<u>LIABILITIES AND FUND BALANCE</u>		
<u>Liabilities:</u>		
Matured Bond Coupons Payable	\$ 2,992	\$ 1,733
Deferred Revenues	8,676	7,509
Total Liabilities	\$ 11,668	\$ 9,242
<u>Fund Equity:</u>		
<u>Fund Balance:</u>		
Unreserved - Designated for Debt Service	\$ 18,572	\$ 20,181
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 30,240	\$ 29,423
	=====	=====

CITY OF ELGIN, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

=====

	<u>June 30, 1988</u>	<u>June 30, 1987</u>
<u>REVENUES:</u>		
Property Tax Collection	\$ 59,651	\$ 61,023
Water and Sewer Service	16,250	23,040
Interest on Investments	<u>638</u>	<u>510</u>
Total Revenues	<u>\$ 76,539</u>	<u>\$ 84,573</u>
<u>EXPENDITURES:</u>		
Bond Retirred	\$ 44,745	\$ 42,948
Interest	<u>33,403</u>	<u>30,622</u>
Total Expenditures	<u>\$ 78,148</u>	<u>\$ 73,570</u>
Excess of Revenues Over (Under) Expenditures	(\$ 1,609)	\$ 11,003
<u>UNRESERVED FUND BALANCE, JULY 1</u>	<u>20,181</u>	<u>9,178</u>
<u>UNRESERVED FUND BALANCE, JUNE 30</u>	<u>\$ 18,572</u> =====	<u>\$ 20,181</u> =====

CITY OF ELGIN, OREGON

DEBT SERVICE FUND

STATEMENT OF REVENUES AND EXPENDITURES WITH BUDGET COMPARISONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	Budget Estimate	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
<u>Tax Collections:</u>			
Current Tax Levy	\$ 62,105	\$ 57,078	(\$ 5,027)
Less: Uncollected Taxes and Discounts	4,063	1,220	(2,843)
Net Current Tax Collections	\$ 58,042	\$ 55,858	(\$ 2,184)
Delinquent Tax Collections	1,200	3,155	1,955
Interest on Delinquent Taxes		539	539
Interest on Undistributed Taxes		99	99
Total Tax Revenues	\$ 59,242	\$ 59,651	\$ 409
OTHER REVENUES:			
Interest on Investment	500	638	138
Water and Sewer Charges	13,000	16,250	3,250
Total Revenues	\$ 72,742	\$ 76,539	\$ 3,797
EXPENDITURES:			
Bond Payment - 1965 Sewer Bond Issue	\$ 23,000	\$ 23,000	\$
Bond Payment - 1975 Water Bond Issue	21,745	21,745	
Interest Expense - Sewer Bond Issue	2,660	2,660	
Interest Expense - Water Bond Issue	25,985	30,743	(4,758)
Total Expenditures	\$ 73,390	\$ 78,148	(\$ 4,758)
Excess of Revenues Over (Under) Expenditures	(\$ 648)	(\$ 1,609)	(\$ 961)
<u>UNRESERVED FUND BALANCE, JULY 1, 1986</u>	19,440	20,181	741
<u>UNRESERVED FUND BALANCE, JUNE 30, 1988</u>	\$ 18,792 =====	\$ 18,572 =====	(\$ 220) =====

CITY OF ELGIN, OREGON

STATEMENT OF BOND AND BOND INTEREST COUPON TRANSACTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

<u>Issue</u>	<u>Matured Coupons Outstanding July 1, 1987</u>	<u>Coupons Maturing July 1, 1987 to June 30, 1988</u>	<u>Coupons to be Retired</u>	<u>Retired July 1, 1987 to June 30, 1988</u>	<u>Matured Coupons Outstanding June 30, 1988</u>
Sewer Bonds - 1965	\$ 668 =====	\$ 2,660 =====	\$ 3,328 =====	\$ 2,513 =====	\$ 815 =====
Water Bond - 1974 - 1975	\$ 1,065 =====	\$ 25,635 =====	\$ 26,700 =====	\$ 24,522 =====	\$ 2,178 =====

	<u>Matured Bonds Outstanding July 1, 1987</u>	<u>Bonds Maturing July 1, 1987 to June 30, 1988</u>	<u>Total to be Retired</u>	<u>Retired July 1, 1987 to June 30, 1988</u>	<u>Matured Bonds Outstanding June 30, 1988</u>
Sewer Bonds - 1965	\$ =====	\$ 23,000 =====	\$ 23,000 =====	\$ 23,000 =====	\$ =====
Water Bond - 1974	\$ =====	\$ 21,745 =====	\$ 21,745 =====	\$ 21,745 =====	\$ =====

CITY OF ELGIN, OREGON

COMBINED STATEMENT OF ACTUAL EXPENDITURES COMPARED WITH APPROPRIATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

	<u>Appropriations</u>	<u>Transfers</u>	<u>Adjusted Appropriations</u>	<u>Actual</u>	<u>Over or (Under) Appropriations</u>
<u>GENERAL FUND:</u>					
Personal Services	\$ 205,855	\$	\$ 205,855	\$ 178,009	(\$ 27,846)
Materials/Services	225,728		225,728	154,521	(71,207)
Capital Outlay					
Contingency	<u>10,000</u>	<u></u>	<u>10,000</u>	<u></u>	(<u>10,000</u>)
Total	<u>\$ 441,583</u>	<u>\$</u>	<u>\$ 441,583</u>	<u>\$ 332,530</u>	<u>(\$ 109,053)</u>
<u>STATE TAX STREET FUND:</u>					
Personal Services	\$ 30,908	\$	\$ 30,908	\$ 24,793	(\$ 6,115)
Materials/Services	<u>47,092</u>	<u></u>	<u>47,092</u>	<u>8,299</u>	(<u>38,793</u>)
Total	<u>\$ 78,000</u>	<u>\$</u>	<u>\$ 78,000</u>	<u>\$ 33,092</u>	<u>(\$ 44,908)</u>
<u>PARKS AND LEISURE FUND:</u>					
Personal Services	\$ 8,000	\$	\$ 8,000	\$ 7,121	(\$ 879)
Materials/Services	<u>4,700</u>	<u></u>	<u>4,700</u>	<u>3,615</u>	(<u>1,085</u>)
Total	<u>\$ 12,700</u>	<u>\$</u>	<u>\$ 12,700</u>	<u>\$ 10,736</u>	<u>(\$ 1,964)</u>
<u>STATE REVENUE SHARING FUND:</u>					
Transfers	<u>\$ 843</u>	<u>\$</u>	<u>\$ 843</u>	<u>\$</u>	<u>(\$ 843)</u>
<u>WATER SYSTEM RESERVE FUND:</u>					
Materials/Services	<u>\$ 42,250</u>	<u>\$</u>	<u>\$ 42,250</u>	<u>\$</u>	<u>(\$ 42,250)</u>
<u>BONDED RETIREMENT FUND:</u>					
Principal Payments and Interest	<u>\$ 92,182</u>	<u>\$</u>	<u>\$ 92,182</u>	<u>\$ 78,148</u>	<u>(\$ 14,034)</u>
<u>TOTAL ALL FUNDS</u>	<u>\$ 667,558</u>	<u>\$</u>	<u>\$ 667,558</u>	<u>\$ 454,506</u>	<u>(\$ 213,052)</u>


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=====
Balance      Collections      Adjustments      Balance
July 1, 1987      1987-88      and      June 30, 1988
Cancellations

$      20      $      ( $      20 )      $
      13      (      13 )
      14      6      8
      38      16      22
     163      20      (      17 )      126
     317      57      (      41 )      219
    1,307     1,058      (      13 )      236
    3,487     2,072      (      6 )      1,409
    5,433     2,602      (     111 )      2,720
   16,601     7,037      (     242 )      9,322
217,982     200,273      ( 291 )      17,418
$ 245,375     $ 213,141      ( $ 754 )      $ 31,480
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General      Debt Service      State Tax
Fund          Fund          Street Fund

$ 143,195     $ 57,078     $
3,059       1,220
$ 140,136     $ 55,858     $
      9,565      3,155      199
      1,967      539      56
      249       99
$ 151,917     $ 59,651     $
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CITY OF ELGIN, OREGON

STATEMENT OF INSURANCE COVERAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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Company

Type of Coverage

Amount

FIRE

Zurich American Company - Policy #TOP3262141

Mobile Equipment

All Property - Real and Personal
(\$ 250 Deductible)

\$ 1,449,057

Expiration Date 7/1/88

LIABILITY

Northland Casualty - Policy #PE01343

Bodily Injury - Mobile Equipment

\$ 100/300,000

Property Damage - Automobile

50,000

Comprehensive

\$ 250 Deductible

Uninsured Motorist

\$ 300,000

Collision

\$ 500 Deductible

Comprehensive Liability

False Arrest

Errors and Omissions

Medical Malpractice

Contractual

Expiration Date 7/1/88

FIDELITY BONDS

Western Surety Company

Winona Bonney

\$ 40,000

Western Surety Company

Thomas B. Grant

\$ 5,000

CITY OF ELGIN, OREGON

AUDITORS' COMMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

=====

Comment 1 The Accounting and Internal Control System:

The system of internal control consists of a double entry system of book-keeping with pre-numbered checks. The system of internal control is adequate, considering the circumstances surrounding a small municipality. It would be impractical to hire additional personnel in order to maintain a clear separation of duties.

Comment 2 Collateral:

The collateral pledged by the United States National Bank, Elgin Branch, was sufficient to secure the City's monies at all times during the year ended June 30, 1988.

Comment 3 Indebtedness:

The City has complied with all legal debt requirements.

Comment 4 Budget:

The City complied, in all material respects, with the legal requirements relating to the preparation, adoption, and execution of the annual budget for the fiscal year ended June 30, 1988, and preparation and adoption of the budget for the next succeeding year.

Comment 5 Insurance and Fidelity Bonds:

The insurance coverage in force as of June 30, 1988, for the City of Elgin, is detailed on page 41. Policies on file were inspected by us. The City of Elgin is in compliance with the legal requirements of O.R.S. Chapter 297. We are not competent by training to state whether the insurance policies covering City-owned property in force at June 30, 1988 are adequate.

Comment 6 Investments:

The City of Elgin has complied with investment requirements of O.R.S. Chapter 294.305.

Comment 7 Public Contracting:

The City of Elgin has complied with Public Contracting Law O.R.S. Chapter 297.

GENERAL COMMENTS

We acknowledge the courtesies and assistance rendered us during the course of our examination.